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SUBJ: MAJOR INCREASE IN U.S. ECONOMIC AID TO THAILAND PLANNED

THE UNITED STATES PLANS TO INCREASE ITS ECONOMIC ASSISTANCE TO THAILAND IN FISCAL YEAR 1979 BY ABOUT 70 PER CENT OVER THE AID LEVEL THIS YEAR, JOHN J. GILLIGAN, ADMINISTRATOR OF THE U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT SAID IN BANGKOK FRIDAY. THE NEW FIGURES WOULD REVERSE A DECLINE IN AMERICAN ECONOMIC AID TO THAILAND IN RECENT YEARS AND WOULD, IN FACT, MEAN MORE THAN A FIVE-FOLD INCREASE IN THE ORIGINALLY PLANNED AID LEVEL FOR FISCAL 1979.

GILLIGAN, IN A NEWS CONFERENCE, EXPLAINED THAT THE "VERY SUBSTANTIAL" AID INCREASE IS CONTAINED IN THE PROPOSED BUDGET PRESIDENT CARTER WILL SEND TO CONGRESS IN A FEW WEEKS. ASKED ABOUT CHANCES FOR CONGRESSIONAL APPROVAL, THE AID CHIEF SAID HE WAS VERY OPTIMISTIC. CONGRESS CUT AID REQUESTS LESS THAN FIVE PERCENT THIS FISCAL YEAR, LESS THAN MOST OTHER U.S. GOVERNMENT AGENCY BUDGETS, HE CONTINUED. "I THINK THAT WITH THE PRESIDENT'S STRONG SUPPORT, WHICH WE ARE GOING TO HAVE, I'M QUITE CONFIDENT THAT WE ARE GOING

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TO BE ABLE TO GET OUR REQUEST VIRTUALLY INTACT, "GILLIGAN TOLD REPORTERS.

THE AID ADMINISTRATOR SAID THE U.S. "EXPECTS TO BE IN A WORKING PARTNERSHIP WITH THE GOVERNMENT AND PEOPLE OF THAILAND FOR A VERY LONG TIME, IN OUR JOINT EFFORTS TO IMPROVE THE STANDARD OF LIVING AND THE ECONOMIC AND SOCIAL PROSPECTS" OF THE THAI PEOPLE.

CURRENT U.S. BI-LATERAL ECONOMIC AID TO THAILAND, IN BOTH GRANTS AND LOANS, IS SOME NINE MILLION DOLLARS AND WAS SCHEDULED TO DROP TO 2.4 MILLION IN FISCAL 1979. INSTEAD, IT WILL RISE TO 13 TO 15 MILLION DOLLARS UNDER THE CARTER ADMINISTRATION PROPOSAL. THAILAND ALSO RECEIVES OTHER U.S. DEVELOPMENT ASSISTANCE AS A PART OF PROGRAMS CONDUCTED WORLD-WIDE.

GILLIGAN SAID THAT AMERICAN ECONOMIC AID TO SEVERAL ASIAN COUNTRIES WILL INCREASE THIS YEAR BY SOME 18 PERCENT. OVER ALL THOUGH THAILAND'S SHARE IN THE INCREASE WILL BE GREATER THAN THE ACROSS THE BOARD HIKE.

FOLLOWING HIS NEWS CONFERENCE, GILLIGAN WENT TO THE THAI HEALTH MINISTRY TO PRESENT THE KEYS TO FIVE VEHICLES FOR USE IN THE MINISTRY'S FAMILY PLANNING AND RURAL HEALTH PROGRAMS. THE VEHICLES WERE PROVIDED UNDER A USAID GRANT TO THAILAND.

LATER, HE AND SUPHAT SUTHATHAM, THAI MINISTER OF FINANCE, SIGNED AN AGREEMENT AT THE FINANCE MINISTRY UNDER WHICH THE U.S. WILL PROVIDE 4.5 MILLION DOLLAR LONG-TERM, LOW-INTEREST LOAN FOR AN INTEGRATED RURAL DEVELOPMENT PROJECT. IT FEATURES ON-FARM WATER USAGE, PROVISION OF HEALTH, EDUCATION AND OTHER COMMUNITY SERVICES, AND THE USE OF IRRIGATION WATER FROM A RECENTLY COMPLETED DAM, AS WELL AS IRRIGATION CANALS AND ROADS NOW UNDER CONSTRUCTION IN THE LAM NAM OON AREA OF NORTHEASTERN THAILAND.
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THE PROJECT IS DESIGNED TO IMPROVE THE AGRICULTURAL PRODUCTIVITY AND INCOMES OF SOME 10,000 FARM FAMILIES IN THE AREA. GILLIGAN SAID IT MAY WELL SERVE AS A PILOT PROJECT FOR SIMILAR PROGRAMS IN THAILAND AND OTHER ASIAN COUNTRIES.

FINANCE MINISTER SUTHATHAM SAID THE PROJECT "REFLECTS THE THAI GOVERNMENT'S" FIRM COMMITMENT TO MEET THE CHALLENGE OF ECONOMIC AND SOCIAL DEVELOPMENT" UNDER THE FOURTH FIVE-YEAR PLAN, TO "NARROW THE SOCIAL-ECONOMIC GAP BETWEEN THE URBAN AND RURAL SECTOR" WHILE ASSURING BETTER LIVING AND QUALITY OF LIFE STANDARDS FOR THE MAJORITY OF THE THAI PEOPLE.

GILLIGAN WAS IN THAILAND FOR A TWO-DAY VISIT WHICH INCLUDED A MEETING WITH PRIME MINISTER KRIANGSAK CHAMANAN AND A REVIEW OF AMERICAN ECONOMIC ASSISTANCE TO THE KINGDOM WITH THAI AND U.S. OFFICIALS.
HE FLEW TO KATHMANDU, NEPAL, FRIDAY AFTERNOON TO CONTINUE HIS FIVE-NATION ASIAN TRIP.
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